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C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 002044

SIPDIS

STATE FOR SA/INS
LONDON FOR POL - RIEDEL

E.O. 12958: DECL: 10/24/2012
TAGS: [PREL](#) [PGOV](#) [PREF](#) [PINR](#) [NP](#) [IN](#) [LICC](#)

SUBJECT: NEPAL: SA DAS CAMP MEETINGS WITH FOREIGN MINISTER AND FOREIGN SECRETARY

REF: A. (A) KATHMANDU 1926
[1B.](#) (B) KATHMANDU 1640

Classified By: DCM ROBERT K. BOGGS. REASON: 1.5 (B,D).

SUMMARY

[¶1.](#) (C) In October 23 meetings with Deputy Assistant Secretary for South Asian Affairs Donald Camp and the

SIPDIS Ambassador, newly appointed Foreign Minister Narendra Bikram Shah and Foreign Secretary Madhu Raman Acharya both stressed that the change in gc

US SUPPORT: ""GREAT POLITICAL SIGNIFICANCE""

[¶2.](#) (SBU) Deputy Assistant Secretary for South Asian Affairs Donald Camp, accompanied by the Ambassador, DCM, and poloff met October 23 with Foreign Secretary Madhu Raman Acharya and Joint Secretary for South Asia Gyan Chandra Acharya. DAS Camp opened the meeting by expressing the USG's continued support for the Government of Nepal (GON), reflected in increased development and security assistance. The Foreign Secretary responded that the GON attaches "great political

SIPDIS significance" to USG support.

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[¶3.](#) (C) The October 11 change in government does not change the GON's willingness to pursue an Article 98 agreement with the U.S. (Ref A). The MFA is "expediting" review of the draft agreement with the Ministry of Law, the Foreign Secretary said. GON and USG views on the International

SIPDIS Criminal Court coincide, he noted. (Note: The Foreign Minister echoed this position in his subsequent meeting with DAS Camp and the Ambassador, but asked for a list of countries that have already concluded and/or are seriously considering an Article 98 agreement. End note.)

SUPPORT FROM INDIA, OTHERS

[¶4.](#) (C) The Ambassador asked for an assessment of Indian cooperation in countering the Maoist insurgency. The Foreign Secretary responded that although the previous government of

SIPDIS Prime Minister Deuba had "a good understanding" with the Indian government, India's "actions don't always match the expectations here." While India had cooperated in banning the All Indian-Nepali Unity Society, a Maoist front (Ref B), the same organization has resurfaced in India under a different name, the Foreign Secretary asserted. India has given some indication that it will increase military support; Acharya cited rifles as one example. The Chinese are helping "on a token basis," while Russian offers are purely on a commercial basis. The GON has tried to allay Indian suspicions surrounding US security assistance, the Foreign Secretary added, by stressing the transparency of USG aid and aims. The GON wants the support of India "in ways that are acceptable and comfortable for us," Joint Secretary Acharya interjected. GON efforts at transparency are not the same as seeking approval from India for accepting foreign aid, he stressed.

BHUTANESE REFUGEES

[¶5.](#) (SBU) The Foreign Secretary confirmed that Foreign Minister Shah met briefly October 22 with the Bhutanese Foreign Minister during the latter's stopover at the Kathmandu airport. Shah formally invited his Bhutanese counterpart for the next (and long-pending) round of bilateral talks aimed at resolving the Bhutanese refugee problem; no date was fixed. Joint Secretary Acharya said the refugees are growing frustrated by the lack of progress; the GON is worried the Maoists could exploit that frustration. Disagreement persists between the two governments over what action is to be taken with various categories of refugees and, more specifically, over the definition of "forced" eviction. The Joint Secretary said he suspects the Government of Bhutan is procrastinating because of dismay at the number of bona fide refugees, based on the results of the first (and so far only) joint verification exercise, it may be required to take back. He believes that the Bhutanese government sometimes responds to international pressure. The GON has thus asked some European governments for help in persuading the Bhutanese of the need for flexibility.

[¶6.](#) (SBU) DAS Camp noted that representatives of the USG, including the Ambassador in New Delhi, has raised the issue with the Bhutanese on a number of occasions. Our main leverage with the Bhutanese is moral suasion, he observed. Since the Bhutanese are increasing the number of countries with which they have Ambassadorial relations, the scope for increasing international pressure may increase as well. The USG will continue to press for a timely resolution to the refugee problem, both on its own and in concert with other countries. Joint Secretary Acharya suggested the USG might

persuade the Bhutanese to initiate dialogue with refugee leaders in Nepal.

FOREIGN MINISTER: "ONLY A FEW MONTHS OF GOOD WILL"

¶7. (SBU) Immediately following the meeting with the Foreign Secretary, DAS Camp, accompanied by the Ambassador and DCM,

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called on Foreign Minister Narendra Bikram Shah. DAS Camp noted the unprecedented level of bilateral cooperation, which reflects USG support for Nepal. DAS Camp and the Ambassador welcomed the new government's commitment to holding elections as soon as possible, as well as its continued interest in concluding an Article 98 agreement. Shah thanked the USG for its support. He noted that he will make his first foreign trip as Minister October 28 when he accompanies Crown Prince Paras to the Global Mountain Summit in Bishkek.

¶8. (C) Shah asked his visitors for the USG's assessment of the constitutionality of the King's October 11 appointment of the interim government. The Ambassador acknowledged there is some dispute among the political parties on this question, but noted the current domestic political situation is "'breaking new ground.'" No previous King had ever used the authority apparently granted him under Clause 127 of the Constitution; the Clause itself has never been subjected to judicial review. The important thing is that all Nepalis, regardless of political affiliation, present a united front against the Maoists. The King is trying, so far with limited success, to make this happen.

¶9. (C) Once former Prime Minister Sher Bahadur Deuba was expelled from the Nepali Congress and registered his own party with the Election Commission, he was no longer the leader of the largest party in Parliament and thus lost the moral right to be Prime Minister, Shah said. Had King Gyanendra had agreed to Deuba's request for a year-long extension in office, such an act would have been "'a massive violation'" of the Constitution. Shah believes the King acted to save the Constitution. He had to dismiss Deuba before October 6--the deadline set by the Election Commission to file nominations for general elections--and before campaigning began in earnest. The basic tasks of the caretaker government are to hold elections--within six months at the latest--and to restore security. While acknowledging that so far there has been no popular outcry against the King's action, he believes the caretaker government can expect "'only a few months of good will'" before the public grows impatient for results.

BIOGRAPHIC INFORMATION ON NARENDRA BIKRAM SHAH

¶10. (SBU) Narendra Bikram Shah, called out of retirement by his October 11 appointment as Foreign Minister by King Gyanendra, had a lengthy and distinguished career in Nepal's Foreign Service, serving as Ambassador in both the Panchayat era and after the restoration of democracy in 1990. Shah held the post of Nepal's Permanent Representative to the UN from 1995-1999; Foreign Secretary from 1986 to 1992; and as Ambassador to the USSR from 1981 to 1985. A former diplomatic colleague at the UN describes him as witty, intelligent, and a long-time friend to the U.S.

¶11. (U) Shah was born January 1, 1940, in Dhadhing District in central Nepal. He graduated with a Masters degree in history from Calcutta University in 1960. He returned to India as Counselor at Nepal's Embassy in New Delhi from 1972-1976.

¶12. (U) DAS Camp did not have the opportunity to clear this message before departing from Kathmandu.

MALINOWSKI

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